

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

MS Fruit & Vegetable Assoc., AAL dba Magnolia Medley Foods

Mississippi Technology Alliance

Mississippi Fruit and Vegetable Association AAL Expands Product Line

Client Profile:

Mississippi Fruit and Vegetable Association AAL, now known as Magnolia Medley Foods, began as a cooperative group of sweet potato growers. Each group grew and packaged sweet potatoes for the "fresh" market, such as cured sweet potatoes found in the produce section of the grocery store. The company is located in Vardaman, Mississippi and employs 100 people.

Situation:

Mississippi Fruit and Vegetable Association AAL realized there was great potential in addressing other markets, including "further processed" value-added products such as frozen sweet potato patties, frozen french-cut sweet potatoes, etc. One advantage of such products is the use of the lesser grades of potatoes that are currently being discarded and left in the field because they are not suitable for fresh market. The Mississippi Fruit and Vegetable Association AAL also realized that the capital investment and risk required for producing such products was prohibitive to them individually, but by joining together they could make it happen. The group approached the Mississippi Technology Alliance (MEP.ms), a NIST MEP network affiliate, partner, Mississippi State University's Industrial Outreach Service (MSU-IOS), and requested assistance with the next phase of their project, which called for identifying qualified engineering and construction companies to design and build a processing plant.

Solution:

MEP.ms/MSU-IOS conducted a search and identified a list of qualified companies that could take on the project. MEP.ms/MSU-IOS then invited the selected companies to make presentations to the Mississippi Fruit and Vegetable Association AAL over a three-day period. The Mississippi Fruit and Vegetable Association AAL received exceptional cooperation and service from several of the companies involved. Although the company has not yet broken ground on their own plant, the contacts that were made from the competition process of identifying qualified engineering and construction companies led to a "co-pack" arrangement with a potato processor in Idaho that has allowed them to begin addressing the market for value-added sweet potato products. This arrangement allowed them to land a three-year contract with the Ryan's Steakhouse chain for 3 million pounds per year over three years at a sales price of \$.65 per pound. This equates to \$5.85 million in sales for a three-year period.

Results:

- * Anticipated sales of \$5.85 million over a three-year period.
- * Realized \$150,00 in cost savings.
- * Avoided unnecessary investment of \$2.5 million on a fresh cut and french fry line.

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- * Invested \$4 million in new equipment.
- * Invested \$700,000 in capital improvement.
- * Added 6 jobs, with an anticipated addition of 75 new jobs.

Testimonial:

"The process that MEP.ms/MSU-IO set in motion led directly to the contract with Ryan's Steakhouse."

Stephen Bailey, President, Sweet Potato Growers Group